



GREEN ACRES

LOCAL GOVERNMENT UNIT GUIDE

Title Insurance Commitment and Title Insurance Policy Checklist

Green Acres can fund only the acquisition of land that has insurable, marketable title. To determine ownership and identify any conditions and restrictions affecting the use of the parcel being acquired, Green Acres requires that the local government unit obtain a 60-year title search to include a commitment to insure prior to the purchase of a property, and a title insurance policy following that purchase. If a local government unit will be requesting payment *in advance of closing*, a valid title commitment along with its supporting documents must be submitted as part of the pre-closing process (note that a title commitment is not valid after 180 days from its effective date). All requirements must be satisfied in order for closing to take place; within 60 days after closing, a copy of the recorded deed is sent to the Title Company to prepare and issue the final Title Policy (See N.J.A.C. 7:36-9.4(c)1 for local government units or N.J.A.C. 7:36-20.4(c)1 for nonprofits). If Green Acres payment will be a reimbursement *after closing*, the title insurance policy must be submitted as part of a payment request. (See N.J.A.C. 7:36-9.4(c)2 for local government units or N.J.A.C. 7:36-20.4(c)2 for nonprofits.)

****Please note that the title commitment should be obtained and provided to the surveyor prior to preparation of the property survey.****

Provide a copy of the valid title commitment and all supporting documentation regarding current vesting title, liens, leases, easements, rights-of-way, and other encumbrances or benefits of record affecting the property, as well as filed maps and other referenced documents to both Green Acres and the surveyor contracted by the local unit/nonprofit.

The local government unit/nonprofit should review the following checklist items prior to ordering the title search with commitment to insure and final title insurance policy, and then verify that all requirements have been met prior to submitting these documents to Green Acres:

Title Commitment Report Items

- ___1) The commitment includes an effective date, Schedule A Legal Description, Schedule B, Section I/ Requirements, Schedule B, Section II/Exceptions, and a photocopy of the latest recorded deed in its entirety.
- ___2) The commitment includes copies of all mortgages, liens, judgments, and other outstanding debts against the property, if applicable, that appear in Schedule B, Section 1 or Schedule B, Section 2 of the commitment.
- ___2) The commitment includes photocopies of any and all recorded deed(s) of any easements, rights-of-way, restrictions, or conditions of record that appear in Schedule B, Section II of the commitment.
- ___3) Schedule A of the title commitment references a description of the parcel to be insured and indicates the current municipal tax block and lot numbers. The Title Company must supply a copy of the tax map depicting the parcel to be insured. If the parcel has a record description that refers to a filed map, the Title

Company must supply a copy of the filed map title block, recording information, a full copy of the filed map, and, if appropriate, a legible enlargement of the portion of the filed map that shows the subject parcel.

- ___ 4) The local government unit/nonprofit must advise the Title Company that the parcel will be surveyed and the surveyor's metes and bounds description will be used in the deed of conveyance. (A survey exception will appear in the Schedule B, Section II until after the survey is read by the Title Company and an endorsement is added to the policy.)
- ___ 5) The local government unit/nonprofit must advise the Title Company that the parcel is being acquired with funding through the Green Acres Program. Once acquired, the land will become encumbered by and subject to Green Acres restrictions. The local government unit/nonprofit will take title agreeing to accept these lands subject to the Green Acres restrictions against the disposal or diversion to a use for other than recreation and conservation purposes. (N.J.A.C. 7:36-1 et seq.)

Title Insurance Policy Items

- ___ 1) Date of closing to match Policy effective date. The title insurance policy amount (in Schedule A) is at least equal to the purchase price.
- ___ 2) All requirements regarding outstanding judgments, taxes, and proof of seller's status listed in Schedule B, Section I of the title commitment report have been met and removed. All exceptions regarding outstanding interests, mortgages, liens, encumbrances, and taxes listed in Schedule B, Section II of the title commitment report have been removed. Recorded easements, restrictions, grants, or covenants which do not pertain to the land being acquired must be removed from the policy. **The policy must show that the local government unit/nonprofit has clear title to the property.**
- ___ 3) The survey exception in Schedule B, Section II of the title commitment report has been replaced by a survey endorsement that insures title to the area within the deed description.
- ___ 4) The description of the insured premises is the surveyor's metes and bounds description prepared as part of the survey package, and is the same as used in the recorded deed of conveyance.
- ___ 5) The policy names the State as an additional insured, or at least acknowledges that Green Acres will have a tangible interest in the form of a restrictive covenant in the parcel, to be itemized as such with identification of deed book and page number in Schedule B, Section II. (Please notify your Green Acres project manager if the Title Company will not comply with this request.)